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ITC CONTRIBUTION
TO THE MEDIUM-TERM PLAN OF THE UNITED NATIONS
FOR THE PERIOD 2002-2005

Explanatory note

1. Under the United Nations *Medium-Term Plan for the Period 1998-2001* (MTP), ITC's mandate is part of Programme 9 – Trade and Development, for which UNCTAD and ITC have joint implementation responsibility. ITC is particularly accountable for two subprogrammes, namely:

9.6 – Institutional development and support services for trade promotion, export development, and international purchasing and supply management.

9.7 – Market development and trade information.

2. The plan for the period 2002-2005 will be submitted to the Committee for Programme and Coordination (CPC) in June 2000 and to the Economic and Social Council (ECOSOC) in July 2000, for final endorsement by the General Assembly at its fifty-fifth session. UNCTAD's contribution will be reviewed by the Trade Development Board in the light of the Plan of Action endorsed at UNCTAD X. As for ITC's contribution, one single subprogramme is being proposed. This will allow ITC to present its entire programme of work in a concise but comprehensive and coherent manner, along with a number of corporate objectives, thus conveying a greater sense of unity of purpose.

3. The overall introduction to Programme 9 in the United Nations MTP document (programme narrative) will be prepared by UNCTAD in consultation with ITC. It will spell out ITC's specific mandate and areas of work within the broader context of the Programme, with due reference to ITC's contribution to the objectives of WTO's technical assistance programme.

4. As in previous years, ITC will complement the United Nations MTP exercise with an internal planning system designed to facilitate programme planning and management. The annually rolling three-year Medium-Term Plan (the ITC-MTP) will provide a more detailed perspective for ITC's work, including the responsibilities of individual divisions, offices and sections; it will establish precise targets and specific outputs for the plan period. The Annual Operations Plan (AOP) will set out the work plan and operational modalities for the implementation of the first year of the rolling MTP.

5. The focus of this subprogramme, which will be implemented by the International Trade Centre UNCTAD/WTO in close cooperation with its parent bodies, is to support developing and transition economies, particularly their business sectors, in building national capacities to realize their full potential for developing exports and improving import operations with the ultimate goal of achieving sustainable development. It principally provides downstream technical assistance to identify new trading opportunities and to address the business implications of the multilateral trading system (MTS) by linking these implications to specific products and markets. The core programme of work is designed to meet the special needs of LDCs on a priority basis.

6. The overriding concern of the subprogramme is national capacity-building. The specific objectives for the plan period are set out below.

7. *Objective 1. To establish national core expertise in MTS issues, which will involve close cooperation between the public and business sectors in advancing a national trade development agenda and formulating negotiating positions on the basis of a good understanding of product and market reality and potential.*

8. This will be achieved, firstly, by establishing and nurturing national networks of trade experts – from business, government and academia – in order to raise awareness and develop the capabilities of partner countries to understand and respond to changes in the MTS. To this effect, the subprogramme will offer a platform for discussion within national networks, facilitate the exchange of experiences among networks and give access to information and training materials, with a view to finding practical business solutions to trade-related problems. Secondly, the subprogramme will provide publications, training materials and courses, and direct assistance to increase understanding of the business implications of specific WTO Agreements such as Agriculture, the Application of Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Textiles and Clothing, Trade in Services and Government Procurement.

9. *Objective 2. To improve the capabilities of partner countries for designing trade development strategies that are grounded on realistic assessments of supply capacities and international demand and an understanding of international commercial practices.*

10. This will be achieved through the development and application of tools for surveys of national export potential and strategic market research, and the analysis and exchange of best practices in bringing to bear the business perspective in the design and implementation of trade development strategies and coordination arrangements.

11. *Objective 3. To reinforce trade support institutions in the efficient provision of services needed by the business community, notably in the areas of trade information, sales promotion, trade representation abroad, export packaging, quality management, financial services, business cooperation arrangements, legal advice, human resource development and purchasing and supply management.*

12. This will be achieved, firstly, through a 'product-network' strategy which will involve the participative development of generic technical assistance products such as diagnostic tools, learning systems, practical guides, information management tools, databases and Internet applications. These will be supplied through a network of partner institutions responsible for their national customization and widespread application, thus minimizing costs and application lead time, and maximizing reach, feedback and sustainability. Secondly, trade support institutions will assume ownership of the design and implementation of tailor-made national or regional trade promotion projects.

13. *Objective 4. To improve trade performance and diversification in selected product and services sectors of special interest for developing and transition economies. Within the plan period, priority will be given to about 18 product and 5 services clusters to be selected on the basis of their export potential, demand from partner countries and the subprogramme's comparative advantages in providing technical assistance.*

14. This will be achieved through an integrated approach comprising needs assessments, a response to the collective needs of partner countries at global level, and tailor-made projects responding to country-specific requests. The approach will combine market intelligence with training, advisory services, business contacts and promotional activities. The promotion of South-South trade will be given high priority. Special consideration will also be given to programme activities which link export-led growth and poverty reduction and address other issues of common concern such as gender equality and environment protection.

15. *Objective 5. To foster entrepreneurship development and competitiveness at the enterprise level through improved performance at all levels of the export development process, including preparation and planning for export, identification of customers, access to finance, management of the supply chain, product development and adaptation, marketing and pricing, contracting and distribution.*

16. This will be achieved, firstly, through activities targeting the business community at large, such as the development and dissemination of tools and practical guides for self-assessment, business strategy development, planning and benchmarking, as well as the provision of market intelligence and access to databases. Secondly, vertically integrated support will be provided at enterprise level, in partnership with national institutions, during a process linking counselling to individual enterprises with support to trade support institutions and business associations in order to obtain national capacity-building and other multiplier effects.

17. Achievements in regard to these five objectives will be measured in terms of national capacity-building. Performance indicators will include the scope and quality of services provided by trade support institutions in the public and private sectors (as assessed by end-users); the institutions' capacity continually to adapt to evolving needs; and the volume and quality of information flows within and among networks.

18. From an operational standpoint, the above objectives will involve interventions in the following functional areas: institutional development for trade promotion and specialized support services; export training capacity development; capacity-building in international purchasing and supply management; strategic and operational market research; sector-specific product and market development; trade information management; and technical cooperation coordination, including needs assessment and programme/project design.